

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter:

APPLICATION OF BEAVER-ELKHORN)
WATER DISTRICT FOR RATE INCREASES) CASE NO. 8576

O R D E R

IT IS ORDERED that Beaver-Elkhorn Water District shall file an original and six copies of the following information with the Commission (with a copy to all parties of record) by September 20, 1982, If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

(1) Provide a copy of the bond ordinance and any amendments thereto.

(2) Explain the disposition of the proceeds of each of the three notes listed in Exhibit E, also explain the reference to "preliminary engineering - sewer."

(3) (a) Explain the basis for projecting a 7 percent increase in wages in Item 2, Exhibit J. Has this increase gone into effect and if yes on what date?

(b) Explain the District's policy regarding wage increases, i.e., who makes the decision, what factors are considered in determining the amount of increase, etc.

(c) Are any of the District's employees unionized?

(4) Provide copies of gas, electric, and phone bills for the test period 1981 to substantiate the 21 percent increase reported in Exhibit J, Item 3.

(5) Provide documentation to substantiate the 10 percent increase in supplies reported in Exhibit J, Item 4.

(6) Provide a copy of the contract between the District and the computer company.

(7) Provide a copy of the retainer contract for legal services. Provide a detailed explanation as to why the District considers it necessary to have counsel on retainer. What legal services are provided without additional charge under the retainer?

(8) Furnish a letter or other documentation from Stephen R. Allen, CPA, estimating the fee for the 1982 audit. Has the District contacted other CPA's regarding the audit?

(9) (a) Provide information regarding fringe benefits the District presently provides for its employees.

(b) Explain and document the 12 percent increase reported in Exhibit J, Item 8.

(10) The 1981 Annual Report shows no additions to Plant in Service. In this application the District has requested depreciation expense on additions to plant during the test period. For each asset placed into service during the test period, provide a description, its original cost, salvage value, the date placed into service, the useful life, and rate of depreciation used.

(11) Currently the District is incorrectly reporting customer tap-on fees as revenue. However, customer tap-on fees are to be reported as a contribution in aid of construction. Provide the necessary journal entries to make the corrections for the test period and the 1981 Annual Report. Also provide corrected copies of the Balance Sheet, Statement of Income, and Water Utility Plant in Service to reflect these corrections.

(12) Provide an analysis of expected rate case expenses applicable to the current rate case (Case Number 8576). Include in the analysis what services are to be rendered and the rates and time charged for that service.

Done at Frankfort, Kentucky, this 27th day of August, 1982.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary